

City needs United to survive

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I commend the Chicago Sun-Times on its series of articles Oct. 28 to Nov. 1 regarding United Airlines. As the ranking Democrat on the House Aviation subcommittee, I am highly cognizant of United's importance to the Chicago area and the nation. Advertisement

The Sun-Times painted an accurate picture of how important United is to Chicago: More than \$600 million directly in annual salary per year to over 20,000 employees, and hundreds of millions more in indirect benefit to the Chicago economy. It is not a reach to say that United Airlines is worth billions of dollars to the economy of the Chicago area.

That is why I fought so hard in 2000 to successfully lift the slot restrictions placed on United at O'Hare--the only hub airport in the United States with such restrictions--because the restrictions inhibited United's growth at a peak time in the airline industry. Unfortunately, United is now paying the price of those restrictions, and it is also hurting from the political gridlock with regard to the modernization of O'Hare's runways. With the inability to modernize the 1950s-style intersecting runways over the last two decades, United and other carriers at O'Hare have been hamstrung by the resulting delays and congestion. Over the same era, the rest of the nation's hub airports, such as Northwest Airlines' main Detroit hub, have been updated and modernized, stealing air traffic from O'Hare and thereby pinching Chicago's economy. That's why I and other Illinois representatives have fought so vigorously for O'Hare modernization and will continue to do so.

Unfortunately, United is on the verge of bankruptcy. First, let it be stated that even if United does go into bankruptcy, that does not mean that United will cease to exist. At a hearing held before my subcommittee in September, a leading Wall Street analyst predicted that if United did enter bankruptcy, it would most likely reorganize, and that belief is held by most other industry analysts. But it will be much smaller, and it is my hope that United will not go down the bankruptcy path.

United is seeking a \$1.8 billion loan guarantee from the Air Transportation Stabilization Board, which was established to oversee the \$15 billion grant and loan program Congress passed in the wake of the Sept. 11 terrorist attacks and the subsequent financial instability of the airline industry. As the world's second-largest airline, flying almost 100 million people each year to 130 U.S. cities and 27 foreign countries, United's sustained viability is of critical importance to the national economy.

Therefore, I no longer simply ask for the board's full and fair consideration of United's application. Rather, I call on them to approve it. United has negotiated with its various labor unions to receive pay cuts of almost \$6 billion. United has cut back on flights and substituted regional jet service in place of larger and more cost-prohibitive jets. It has laid off thousands of employees. In other words, United has responded to the board's demand for cost and operation restructuring, and has met every request, no matter how harsh. If the board does not approve United's application, it will be violating the clear intent of the law.

I am currently circulating another letter among the bipartisan Illinois congressional delegation urging the board to approve United's revised loan application. While we may disagree on certain policies, all of the Illinois representatives are unified in support of United Airlines because we know what United means for the city of Chicago and the state of Illinois.

Hopefully, United will receive the loan and emerge from this crisis with a keen sense of what is needed to succeed in the ever-evolving global economy. If Chicago is to remain the epicenter of

the U.S. transportation system, United, as the linchpin of that status, needs to re-establish itself as a strong, healthy and progressive leader in the airline industry.

Rep. William O. Lipinski (D-Ill.)